

# CMS Manual System

## Pub 100-04 Medicare Claims Processing

Transmittal 841

Department of Health & Human Services (DHHS)

Centers for Medicare & Medicaid Services (CMS)

Date: FEBRUARY 6, 2006  
Change Request 4306

**SUBJECT: MCS Screen Expansion for the Prescription Order Number for the Competitive Acquisition Program (CAP) for Part B Drugs to be Developed Over the July 2006 and October 2006 Release, With Final Implementation on October 2, 2006**

**I. SUMMARY OF CHANGES** This CR provides instruction for carriers and the standard system to develop and implement an MCS Screen Expansion for the Prescription Order Number to process claims for the Competitive Acquisition Program (CAP) for Part B Drugs. This is to be developed over the July 2006 and October 2006 release, with the final implementation to be on October 2, 2006.

### NEW/REVISED MATERIAL

**EFFECTIVE DATE: October 1, 2006**

**IMPLEMENTATION DATE: July 3, 2006 (Shared System development) and October 2, 2006 (Final implementation)**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

### II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R = REVISED, N = NEW, D = DELETED – *Only One Per Row.*

R/N/D	Chapter / Section / SubSection / Title
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### III. FUNDING:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.

### IV. ATTACHMENTS:

One-Time Notification

*\*Unless otherwise specified, the effective date is the date of service.*

# Attachment – One Time Notification

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**SUBJECT: MCS Screen Expansion for the Prescription Order Number for the Competitive Acquisition Program (CAP) for Part B Drugs to be Developed Over the July 2006 and October 2006 Release, With Final Implementation on October 2, 2006**

## I. GENERAL INFORMATION

**A. Background:** This CR provides additional instructions for the implementation of the CAP program as outlined in CR 4064. It is not a stand-alone CR. CR 4306 builds on CR 4064 through the implementation of business requirements that were identified by the implementation process of CR 4064, and it supports business requirements in CR 4309 needed for the development of the final CAP rule, published on November 21, 2005.

**B. Policy:** Section 303 (d) of the Medicare Prescription Improvement and Modernization Act (MMA) of 2003 mandates the implementation of a CAP for Part B drugs.

## II. BUSINESS REQUIREMENTS

*“Shall” denotes a mandatory requirement*

*“Should” denotes an optional requirement*

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)									
		F	I	R	C	D	Shared System Maintainers				Other
							H	I	M	V	
I	R	E	R	C	S	S	S	F			
4306.1	MCS shall make any necessary changes to add the prescription number received on both paper and electronic claims to the claims screens and retain the information in history.						X				
4306.1.1	Contractors shall forward the prescription number on both paper and electronic claims to CWF.				X		X				
4306.2	The carrier shall edit to verify that the no-pay lines (drug HCPCS with the J1 or J2 modifier codes) that the participating CAP physician has billed are for a drug that is included in the CAP and is from the particular CAP vendor they				X		X				

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
	have chosen to receive drugs from.									
4306.2.1	If the carrier determines that the physician has billed no-pay lines along with the codes for the payment of the administration for drug HCPCS code(s) that are not provided by the approved CAP vendor with whom the physician selected, it shall return as unprocessable those no-pay lines along with the lines for the codes for the payment of the administration for these drugs.			X						
4306.2.2	<p>For claims denied in 4306.2.1, the carrier shall return the following messages:</p> <p>Remittance Advice Messages:</p> <p>Claim Adjustment Reason Code 96 – Non-covered charges.</p> <p>Remark Code N348 – You chose that this service/supply /drug would be rendered/supplied and billed by a different practitioner/supplier.</p> <p>MSN Message 7.8 - Your physician has elected to participate in the Competitive Acquisition Program (CAP) for Medicare Part B drugs. Medicare cannot pay for the administration of the drug(s) being billed because these drug(s) are not available from the CAP vendor.</p> <p>Spanish: 7.8 –:Su médico ha elegido participar en el Programa de Adquisición Competitiva (CAP, por sus siglas en inglés) para las medicinas cubiertas por la Parte B de Medicare. Medicare no puede pagar por el suministro de</p>			X						

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers			
F I S S	M C S					V M S	C W F		
	las medicinas cobradas porque estas medicinas no están disponibles del vendedor CAP.								

### III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers			
F I S S	M C S					V M S	C W F		
	None								

### IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

#### A. Other Instructions:

X-Ref Requirement #	Instructions
CR 4064, CR 4309	Competitive Acquisition Program (CAP) for Part B Drugs.

#### B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

- C. Interfaces: N/A
- D. Contractor Financial Reporting /Workload Impact: N/A
- E. Dependencies: N/A
- F. Testing Considerations: N/A

**V. SCHEDULE, CONTACTS, AND FUNDING**

<p><b>Effective Date*:</b>  For claims received on or after October 1 , 2006  <b>*Note: the Effective Date is the date of receipt.</b></p> <p><b>Implementation Date:</b> July 3, 2006 (Shared System development) and October 2, 2006 (Final implementation)</p> <p><b>Pre-Implementation Contact(s):</b> Lia Praela at Cecilia.Praela@cms.hhs.gov; Leslie Trazzi at leslie.trazzi@cms.hhs.gov</p> <p><b>Post-Implementation Contact(s):</b> Leslie Trazzi at <a href="mailto:Leslie.Trazzi@cms.hhs.gov">Leslie.Trazzi@cms.hhs.gov</a> and Cassandra Black at <a href="mailto:Cassandra.Black@cms.hhs.gov">Cassandra.Black@cms.hhs.gov</a>.</p>	<p><b>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.</b></p>
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